

HELM

FINANCIAL CORPORATION

One Embarcadero Center • San Francisco, CA 94111

415/398-4510

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VIA AIR COURIER

RECORDATION NO. 2166 FILED

August 31, 1998

SEP 1 '98 10-53 AM

Mr. Vernon Williams
Secretary
Surface Transportation Board
1925 K Street, N.W.
Washington, D.C. 20423-0001

Dear Mr. Williams:

Enclosed are two (2) originals of the **Memorandum of Net Lease Agreement** made as of May 22, 1998 between the following parties:

Lessor: Kennecott Utah Copper Corporation
3595 South 8315 West
Magna, Utah 84044-6001

Lessee: Northern Plains Railroad
337-10th Street, N.E.
Devils Lake, ND 58301

The equipment involved in this transaction is as follows:

Equipment: Five (5) railcars as more fully described in
Schedule A to the memorandum.

Please file this memorandum as a primary document and return one (1) stamped original to my attention. A check covering the filing fee of twenty-six dollars (\$26.00) is enclosed.

Sincerely,



Alison Drain
Document Administrator

/ad
Enclosures (2)

MEMORANDUM OF
NET LEASE AGREEMENT

RECORDATION NO. 21616 FILED

SEP 1 '98 10-53 AM

THIS MEMORANDUM OF NET LEASE AGREEMENT (the "Memorandum") is made as of May 22, 1998 and is intended to evidence that certain Net Lease Agreement dated as of May 22, 1998 (the "Lease") between KENNECOTT UTAH COPPER CORPORATION, a Utah corporation ("Lessor"), and NORTHERN PLAINS RAILROAD, a North Dakota corporation ("Lessee"), for the purpose of satisfying the requirements of recordation with the Surface Transportation Board of the Department of Transportation under Section 49 of U.S.C. 11301. Lessor has the right to lease the railcars, more fully described in Schedule A hereto (the "Units"). Lessee leased from Lessor the Units at the Rent and upon the terms and conditions provided in the Lease.

The Lease and the Units cannot be assigned, subleased or in any way encumbered without the prior written consent of Lessor. Lessee has granted a security interest unto Lessor in and to any and all Payments, as such term is defined in the Lease, including, without limitation, any and all Rent and other Payments pursuant to any sublease of the Units. In the Event of Default, as such term is defined in the Lease, Lessee assigns any and all subleases to Lessor.

IN WITNESS WHEREOF, the parties hereto have caused this Memorandum to be executed by their duly authorized representative as of the day and year first above written.

LESSOR

LESSEE

KENNECOTT UTAH COPPER CORPORATION

NORTHERN PLAINS RAILROAD

By: Wayne L. Storkbrand

By: Robert F. Irwin

Print Name: WAYNE L. STORKBRAND

Print Name: Robert F. Irwin

Its: DIRECTOR OF TRANSPORTATION

Its: Vice President Operations

CM

SCHEDULE A
TO THE MEMORANDUM OF LEASE

THE UNITS

Equipment Description:

Five (5), 100-ton, 50 cubic yard capacity air dump railcars manufactured by DIFCO in 1978 and 1979.

Unit Number:

1. KCCX 560
2. KCCX 586
3. KCCX 596
4. KCCX 617
5. KCCX 621

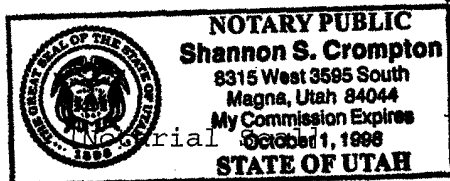
CM

STATE OF UTAH)
COUNTY OF SALT LAKE) S.S.

On 6 AUGUST, 1998, before me, SHANNON S. CROMPTON personally
appeared WAYNE L. STOCKBRAND, DIRECTOR TRANSPORTATION of
KENNECOTT UTAH COPPER CORPORATION,

X personally known to me -OR-

— proved to me on the basis of satisfactory evidence to be the person(s)
whose name(s) is/are subscribed to the within instrument and acknowledged
to me that he/she/they executed the same in his/her/their authorized
capacity(ies), and that by his/her/their signature(s) on the instrument
the person(s), or the entity upon behalf of which the person(s) acted,
executed the instrument.



Witness my hand and official seal.

Shannon S. Crompton
SIGNATURE OF THE NOTARY

STATE OF _____)
COUNTY OF _____) S.S.

On July 27, 1998, before me, Jolene Wee personally
appeared Robert F. Irwin, Vice President Operations of
NORTHERN PLAINS RAILROAD,

X personally known to me -OR-

— proved to me on the basis of satisfactory evidence to be the person(s)
whose name(s) is/are subscribed to the within instrument and acknowledged
to me that he/she/they executed the same in his/her/their authorized
capacity(ies), and that by his/her/their signature(s) on the instrument
the person(s), or the entity upon behalf of which the person(s) acted,
executed the instrument.

Witness my hand and official seal.

[Notarial Seal]

Jolene Wee
SIGNATURE OF THE NOTARY

JOLENE WEE
Notary Public, STATE OF NORTH DAKOTA
My Commission Expires March 27, 2004

CM